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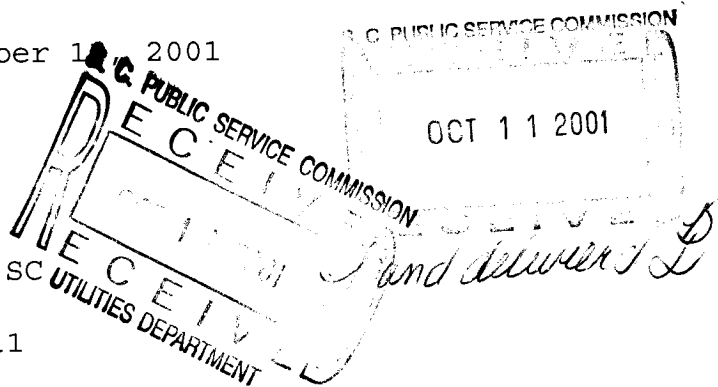
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October 11, 2001

The Honorable Gary E. Walsh
Executive Director
Public Service Commission of SC
Post Office Drawer 11649
Columbia, South Carolina 29211



Re: Application of BellSouth Telecommunications, Inc. to
Provide In-Region InterLATA Services Pursuant to
Section 271 of the Telecommunications Act of 1996
Docket No. 2001-209-C

Dear Mr. Walsh:

Enclosed please find for filing an original and 15 copies
of BellSouth Telecommunications Inc.'s Response to AT&T's Motion
to Continue Post-Hearing and Other Proceedings. By copy of this
letter, I am serving all parties of record with a copy of this
response as indicated on the attached Certificate of Service.

Sincerely,

CN Watson

Caroline N. Watson

CNW/nml
Enclosure
cc: All Parties of Record

ACCEPTED
10/12/01

POSTED
OCT 11 2001

BEFORE THE

PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

OCT 11 2001

In the Matter Of)
)
Application of BellSouth)
Telecommunications, Inc. to)
Provide In-Region InterLATA)
Services Pursuant)
to Section 271 of the)
Telecommunications)
Act of 1996)
_____)

DOCKET NO. 2001-209-C

S. C. PUBLIC SERVICE COMMISSION
OCT 11 2001

BELLSOUTH TELECOMMUNICATIONS, INC.'S
RESPONSE TO AT&T'S MOTION TO CONTINUE POST-HEARING
AND OTHER PROCEEDINGS

BellSouth Telecommunications, Inc. ("BellSouth"), by and through undersigned counsel, respectfully files its Response to the Motion on Behalf of AT&T Communications of the Southern States, Inc. ("AT&T") to Continue the Post-Hearing Briefing Schedule in Section 271 Hearing.

AT&T's Motion to Continue is its most recent attempt to postpone this matter by requesting that the Public Service Commission of South Carolina ("PSC") consider any number of objections raised, including attempting to mislead this Commission into believing BellSouth has taken a position supporting AT&T's request in another state. Not only has

BellSouth not taken the position that AT&T purports that it has, but also, notably, there are no Motions supporting AT&T's position filed by the other intervenors.

It is so clear that AT&T's argument is in its own self-interest that AT&T anticipates the arguments that BellSouth will make and attempts to deny that self-interest is its sole motive. It is indisputable that any delay in a 271 proceeding is in AT&T's self interest. Delaying RBOC entry into the interLATA markets means millions of dollars in AT&T's pockets. Based on its experience in numerous dockets, BellSouth doubts that there would ever be a time that AT&T would agree that it is appropriate for a Bell Operating Company ("BOC") to bring a 271 application to state and federal agencies for approval.

On the other hand, a delay in the introduction of new competitive alternatives is not in the best interest of South Carolina consumers. As BellSouth stated in its Notice to this Commission of its Intent to File an Application for 271 Relief with the FCC, which was filed with this Commission on May 16, 2001:

As a result of actions taken by the Commission, BellSouth and competitive local exchange companies ("CLECs"), since the passage of the Telecommunications Act of 1996 ("the 1996 Act"), it is clear that BellSouth's local markets in South Carolina have been irreversibly opened to competition on both a facilities-based and resale basis. As of March 31, 2001, CLECs in South Carolina serve approximately 9.4 percent of the total local access lines in BellSouth's

service area. This local market share is comparable to or exceeds CLEC market shares in states where other Regional Bell Operating Companies ("RBOCs") have gained long distance relief from the FCC.

BellSouth requests that this Commission complete such a review of the Section 271 requirements in order to facilitate South Carolinians in BellSouth's service area obtaining the benefits of broad-based competition in both the local and long distance markets. The customers of other local exchange carriers in South Carolina are not prohibited from buying interLATA long distance service from their local exchange carrier and, therefore, enjoy the benefits of "one-stop shopping". All of BellSouth's customers, including over 550,000 rural customers, should be allowed the same opportunity.¹ In its Order dated July 31, 1997 in Docket No. 97-101-C, the Commission concluded that BellSouth's entry into the interLATA long distance market in South Carolina was in the public interest and that BellSouth had satisfied the 14 items of Section 271's competitive checklist. Almost four years later, BellSouth requests that this Commission now review and reaffirm BellSouth's checklist compliance so that BellSouth may proceed again with its Section 271 application to the FCC.

RELEVANT BACKGROUND

Following the filing of BellSouth's notice, the Commission established a procedural schedule on June 7, 2001, to receive evidence to assess BellSouth's compliance with the requirements of Section 271 in order for the Commission to be prepared to fulfill its consultative role to the FCC under Section 271(d)(2)(B). The Commission set out a procedural schedule that included the filing of written testimony by BellSouth and intervenors and a hearing on July 23, 2001, in which the parties

¹Determination of Rural and Urban based upon 1990 US Census Data.

would present their witnesses for cross-examination. (PSC Order 2001-209-C).

On the same day that Order was issued, Motions were filed with this Commission by many parties, including AT&T, to delay the hearing. The Commission considered all arguments and determined that the hearing should be bifurcated with a Phase I proceeding to review compliance with the competitive checklist and Phase II to review performance data and any comparison of the Georgia and Florida third party tests. (PSC Order No. 2001-647).

On July 27, 2001, AT&T filed a second request for delay. As a result of this request, the Commission determined that "it will not make a final decision on BellSouth's 271 application in South Carolina until the Georgia Public Service Commission has ruled upon BellSouth's 271 application in the State of Georgia." (PSC Order No. 2001-916).

Now that the Georgia Commission has approved BellSouth's 271 Application in Georgia, AT&T (for the third time) is requesting that the Commission delay these proceeding based upon another creative legal argument. However, AT&T's request is blatantly disingenuous because at no time during the Commission's determination of a procedural schedule did AT&T ever suggest that the Commission should postpone its hearing until the FCC made a determination of an application for

interLATA relief by BellSouth for the State of Georgia. In fact, the Georgia proceeding had been under way for a considerable time when this Commission set its procedural schedule, and AT&T was fully aware that a decision from the Georgia Commission would likely occur during the proceedings by this Commission in South Carolina. Only after the Louisiana Commission, the Mississippi Commission and the Georgia Commission all found that BellSouth has met the requirements of Section 271 did AT&T file for delay in the South Carolina proceedings. AT&T's Motion is a desperate attempt to thwart any pending state 271 proceedings,² betting on the outcome at the FCC. It is telling that, during this proceeding, AT&T never once suggested that "judicial economy" would be served by simply shelving the pending BellSouth's 271 proceedings to await the FCC's decision on the Georgia application--until after it became clear that the Georgia PSC would approve BellSouth's application.

AT&T HAS BEEN AFFORDED FULL OPPORTUNITY
TO RAISE OBJECTIONS

In its Motion, AT&T raises a number of objections to BellSouth's OSS. Those objections have been made to, and

² See AT&T's motions to delay proceedings in North Carolina (filed September 27, 2001), in Kentucky (filed September 28, 2001), and in Alabama (filed October 1).

rejected by, three state commissions: Louisiana, Georgia, and Mississippi.³

AT&T has already raised its OSS objections in this docket. In all, the Commission conducted almost three weeks of hearings in this proceeding with full opportunity for cross examination and direct testimony by AT&T. That opportunity was fully utilized by AT&T in those proceedings. AT&T can similarly raise its objections in its brief. But instead, it again wishes to request that the entire matter be delayed. Rather than running the risk that this Commission (and other commissions) might similarly rule against it, AT&T has requested that this Commission (and the Kentucky, North Carolina, and Alabama commissions) just ignore all of the work that it has done, suspend any state decision, and wait for the FCC. The Commission should reject AT&T's self-serving motion for delay.

THE COMMISSION SHOULD NOT WAIT ON THE RESULTS OF THE
FLORIDA THIRD PARTY TEST

BellSouth has the right to proceed with its 271 application and is prepared to defend its evidence of 271 compliance. The Telecommunications Act of 1996 (the Act) clearly indicates that it is the BOC's right to determine when it believes it has met the requirements of 47 U.S.C. 271 and when it will petition the

³ It is interesting to note that NO state commission (other than Florida, obviously) has accepted AT&T's invitation to delay its section 271 proceedings to await the results of Florida's OSS testing. This Commission need not be the first.

FCC for authorization to provide interLATA services. See 47 U.S.C. 271(d). Therefore, the Act makes clear that the timing of a 271 application is in the hands of the BOC and is not controlled by an intervener. AT&T offers no reason why it cannot file its brief as scheduled and, indeed, has already filed briefs in Mississippi, Louisiana and Georgia. Throughout this proceeding, AT&T has argued that this Commission should await the Florida test results. No Commission in the BellSouth region has delayed a Section 271 review to await the final results of the Florida third party tests. In fact, as stated earlier, in Louisiana and Mississippi, those Commissions found BellSouth compliant with Section 271 requirements without the Florida test. Furthermore, AT&T's own witness Sharon Norris responded during cross-examination that the Georgia third party test met the minimum requirements of the FCC. (Tr. Vol. XIII, pp. 5139 l. 23 - 5140 l. 6.) Thus, there is no need to delay and await the conclusion of the Florida test. Nothing prevents AT&T from filing its brief on its view regarding the relevancy of the Florida test.

THE COMMISSION SHOULD NOT WAIT ON AN FCC RULING

AT&T also argues that the Commission should delay this proceeding until the FCC issues an Order on BellSouth's pending applications. This argument is flawed in one major respect. As this Commission is aware, it is incumbent on this Commission to

make its own assessment of BellSouth's compliance with Section 271 irrespective of the FCC's views. That the Commission is taking its role very seriously is undeniable in light of the enormous amount of time and effort the Commission already has put into this proceeding. To argue, as AT&T does, that all of the Commission's effort simply should be put on hold until the FCC rules on the Georgia application implies that AT&T wants the FCC to do the South Carolina Commission's job. The PSC's role is a consultative one. It is not to wait for direction from the FCC.

THE COMMISSION SHOULD NOT DELAY BECAUSE OF AN IRRELEVANT
271 HEARING SCHEDULE IN TENNESSEE

Finally, BellSouth's conduct of its 271 proceeding in Tennessee is not a basis for delay in South Carolina. First, contrary to AT&T's representations, BellSouth did not base any of its positions in Tennessee on the premise that the TRA must wait until after an FCC decision on Georgia. Rather, due to the current schedule in Tennessee, BellSouth simply proposed an alternative schedule it believes is more appropriate. Second, the procedural posture of the Tennessee case is completely different than this case. BellSouth's 271 case in Tennessee did not commence until July 30, 2001, and the posture of the proceedings in that state has developed on a much different track than those in other states. BellSouth's suggestion to the

Tennessee Regulatory Authority that multiple hearings spread over several months be consolidated into one hearing in February 2002 makes sense in the context of that state's proceeding. Never once in the two Tennessee pleadings cited by AT&T did BellSouth conclude that judicial economy would be served by simply waiting on the FCC to rule on the Georgia 271 application, although AT&T implies that this must have been the purpose of the filings and, therefore, should be a course this Commission should follow as well. In fact, in only one filing (dated September 14) did BellSouth even mention the existence of the Georgia 271 proceeding. BellSouth's reference to achieving judicial economy was clearly made in the context of combining all Section 271 issues into one hearing before the TRA. It is certainly not a basis for delay in South Carolina where all evidence has been submitted, a three-week hearing was conducted, and everything is in place except briefing and a Commission decision. AT&T's distorted comparison of the Tennessee and South Carolina 271 proceedings should be rejected.

AT&T'S REQUEST IS A THINLY VEILED
REQUEST FOR ENDLESS DELAY

If AT&T's sole motivation for participating in this process has not been evident to the Commission until this point, this Motion should bring AT&T's goal into crystal clear focus: AT&T will say or do anything to delay for as long as possible

BellSouth's entry into AT&T's long distance market in this state. Period.

It should be clear now that there is nothing this Commission can do that will appease AT&T, short of never completing its Section 271 proceeding. Granting any further delay to AT&T will only cause AT&T to ask for more concessions and more delay at a later time. It simply has no economic incentive to do otherwise. AT&T's corporate, nationwide mission is to delay indefinitely RBOC entry into this nation's interLATA markets - markets still dominated by the Big Three long distance giants AT&T, WorldCom and Sprint. It is no stretch to conclude that this Commission could postpone consideration of BellSouth's 271 application for many years to come and still find AT&T at the door of the hearing room with any number of objections as to why BellSouth should not be allowed to compete with AT&T in its interLATA markets. AT&T would likely tell this Commission that an FCC order approving BellSouth's Georgia application is not controlling here because of minor differences between Georgia and South Carolina. Likewise, AT&T could assert that the FCC order is not "final" because AT&T plans an appeal. The possibilities are endless.

CONCLUSION

Without question, this Commission has control of its dockets and all procedural matters pertaining thereto.

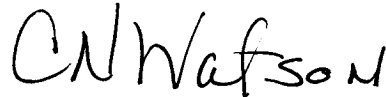
Nevertheless, it is BellSouth, not an intervenor, that has the option under 271 to determine when it is ready to defend its compliance with the requirement of Section 271 of the Act. This Commission has conducted almost three weeks of hearings. BellSouth has filed its evidence, has presented its witnesses for cross-examination and is prepared to submit its brief on October 22, 2001.

The FCC has provided through its decisions a "roadmap" of requirements that must be met in order to grant a long distance application. BellSouth is complying with the FCC's requirements. The local market is open. Every party in this docket is able to compete in the local market. CLECs are servicing over 150,000 lines representing over 21% of the business market. There is no reason to delay. BellSouth requests that this Commission deny AT&T's latest attempt to delay this Commission's determination in whether to bring additional competition into the interLATA long distance market that will benefit the people of South Carolina. AT&T presents no credible reason why it cannot file its brief on the date set by this Commission. For the

foregoing, BellSouth respectfully requests that AT&T's motion be denied.

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.

A handwritten signature in dark ink, appearing to read "CN Watson", is written over a horizontal line.

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STATE OF SOUTH CAROLINA)
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The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, Inc. ("BellSouth") and that she has caused BellSouth Telecommunications Inc.'s Response to AT&T's Motion to Continue Post-Hearing and Other Proceedings in Docket No. 2001-209-C, to be served by the method indicated below upon the following this October 11, 2001:

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